

~~Dis 98c~~

gud
5/1

App. F. IX-4

File No. 190-54

Serial Nos. 24-2

Previous References.

Ind. Dep. 384/53-54

Ind. 19 of 54-13-16.

Ind. 196-54-54-21-22

1954

(Ind.)

Later References:

GENERAL AND REVENUE SECRETARIAT

Serial Nos.

Two only —

8.

14.

ⓔ

Part B for October 1956.

SUBJECT

Execution of the deed of guarantee in respect of the Bank loan granted to the Mysore chrome. Tanning company Ltd.

C. V. Rajanna

25/10/56

Serial
No.

Letter No. 81. S.A. Misc. 187/52-23

d 24-9-56 from the ... re the loan of
Rs 50,000 sanctioned to the Mysore cinema
company ...
The previous collection dtd 19-5-54-21-2
is placed below

The Diry dtd has forwarded the approved
draft deed of the guarantee for adoption and
issue by the Govt in favour of the Bank of
Mysore Ltd. in the matter.

According^{to} the usual procedure the ~~loan~~ deed
of guarantee which has already been accepted
(vide this office letter d 17-2-56 flagged
in the collection placed below) has to be
accepted and executed by the Dev Secy
on behalf of Govt in favour of the Bank of
Mysore Ltd & Bangalore.
- subd for orders.

11/9/56. (35)
12/9

Please put up, urgently,
the Collection showing the acceptance
and issue of the deed of
guarantee on a previous
occasion. The Adl. Dir. of
D. & C. has already reminded
over the phone that this is
urgently required.

12/9.

Explained in person. Draft letter to be sent to the
for consideration as directed.
is subd as directed.

11/9/56

Serial
No.

6) Explained in person. Draft letter to the
 general Manager, the Bank of Mysore Ltd., Bangalore
 is sent for consideration as directed.

13/9/56. 13/9

7) Issue - with the
 deed of guarantee - over the
 signature of the Des. Secy.

13/9

Drafted letter No. 2-3537 d 15-9-56.

~~Letter No. 1-16306 d 20-9-56 from the Manager,
 Bank of Mysore Ltd. acknowledging the receipt of
 the guarantee deed.~~

Letter No. 1-16306 d 20-9-56 from the
 Manager, Bank of Mysore, acknowledging
 the receipt of the guarantee deed.

Letter No. 1-17850 d 27-9-56 from
 the Manager, Bank of Mysore, stating that
 a sum of Rs 50,000/- was made available
 to the concern.

8) Both the letters are for kind refusal.
 No further action is called for.

may be filed

4/10/56. 4/10

13/10/56.
 20/10/56.

6/10.

Grand 190-54-24

C. F. No. 45]

GOVERNMENT OF MYSORE

OFFICE OF

No. E1.S.A.Misc.187/52-53
Encls.

THE DIRECTOR OF INDUSTRIES & COMMERCE
IN MYSORE, BANGALORE.

Date 24th August 1956.

The Secretary to Government,
Development Department, Bangalore.

Subj: The Mysore State Aid to Industries Act,
1951 - Loan of Rs.50,000/- sanctioned to the
Mysore Chrome Tanning Co.,Ltd.,Bangalore, on
Government guarantee - Form of Guarantee.

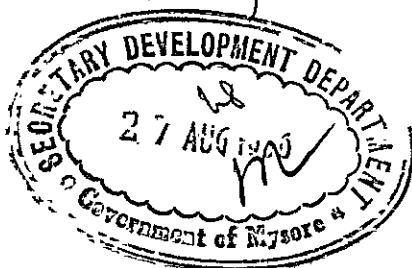
4438. With reference to the correspondence ending with
your letter No.4921 dated 17th February 1956 on the
above subject, intimating that the form of guarantee
suggested by the Bank of Mysore Ltd., may be adopted,
I write to state that the Manager, Bank of Mysore,Ltd.,
Bangalore, has since intimated in his letter dated
10-8-1956 that the approval draft deed of the guarantee
has not been received after completion.

I am forwarding herewith the approved draft deed
of the guarantee for adoption and issue by the Govern-
ment in favour of the Bank of Mysore,Ltd., in the above
case.

Yours faithfully,

[Signature]

(K. NARAYANASWAMY)
DIRECTOR.



This Deed of Guarantee executed this day of
One thousand nine hundred and fiftyfive by the Rajpramukh, His Highness
the Maharaja of Mysore, acting in the exercise of the Executive power of
the State of Mysore, represented by the Secretary to Government,
Development Department(hereinafter referred to as "the Guarantor") in
favour of the Bank of Mysore Ltd., a Joint Stock Company, deemed
incorporated under the Indian Companies Act 1913 and having its
registered office and principal place of business in Avenue Road,
Bangalore City, represented by Sri. B.V. Narayana Reddy, (hereinafter
referred to as "the Bank") is as follows:-

Whereas the Mysore Chrome Tanning Company Ltd., a joint stock
Company deemed incorporated under the Indian Companies Act 1913 and
having its registered office and principal place of business in Mysore
Road, Bangalore, (hereinafter referred to as "The Principal Debtor") has
at its meeting held on 5-5-1954, proposed and resolved to request the
Government of Mysore to grant immediately a further loan of Rs.50,000/-
on the securities already furnished for the existing loan to meet the
urgent requirements of working capital of the Company and of increasing
production, having regard to its installed production capacity and the
need for keeping up labour employment at the Works as hitherto and have
accordingly requested sanction of the Government of Mysore.

Whereas the Government of Mysore have, in their order No.I.331-
35/Ind.190.54.8 dated, Bangalore, the 23rd April 1955 sanctioned the
proposal of the Principal Debtor and requested the Bank to grant the
loan of Rs.50,000/-(Rupees Fifty thousand only) to the Principal Debtor
on the Government guarantee subject to the conditions mentioned by the
Director of Industries and Commerce in his letter dated 22-7-1954 and
the Bank of Mysore Ltd., in their letter dated 1.3.1955.

Whereas the Bank has agreed to advance up to the limit of the
aforesaid sum of Rs.50,000/- only by way of loan to the Principal Debtor
for the purposes mentioned in its above resolution against the hypotheca-
tion over the stock-in-trade of the said principal debtor, the
Bank's being the first charge and also on the guarantee of the Govern-
ment of Mysore as undertaken in the above Government order, the entire
loan with interest thereon at the rate of 6½% per annum and with all
costs and expenses incidental thereto being repayable within a period of
12 months from

Now, Therefore, this Deed of Guarantee witnesses that in pursuance of the above agreement and consideration of the aforesaid sum of Rs.50,000/- only being advanced by way of loan to the principal debtor on the terms and conditions proposed by the Bank and accepted by the principal debtor and the Government of Mysore, the Guarantor hereby agrees and covenants as follows:-

That the Guarantor will be jointly and severally liable with the principal debtor in respect of the amounts due and owing by the principal debtor under the terms and conditions of the Hypothecation Deed dated.....and executed by the said debtor in favour of the Bank and will repay the said amounts to the Bank, if the said Debtor fails to repay the same on demand.

That if the principal debtor fails to pay the amount due to the Bank, the Guarantor shall immediately thereafter be liable to pay the said amount or amounts to the Bank.

That any variance in the terms of the contract inclusive of the rate of interest made with the principal debtor, withholding of credit or giving of any further or other advances to the principal debtor, taking of any other as additional security from or the parting with any security to the principal debtor, giving of time to or promising not to sue the Principal debtor, giving absence of demand for payment either on the principal debtor or the Guarantor, entering into any composition with the principal debtor or the Guarantor, doing or omitting to do any act which may result in legally releasing the principal debtor or be inconsistent with the Guarantor's rights but for this provision, shall not operate as a discharge of the Guarantor's liability to the Bank in respect of the amounts guaranteed as aforesaid and the Guarantor further consents not to claim any of the rights conferred on sureties by sections 132, 134, 135 and 141 or any other provision of the Indian Contract Act.

That this Guarantee should be and have effect as a continuing Guarantee and shall not be revocable by the Guarantor except with the consent of the Bank and until all the amounts due to the Bank as aforesaid are finally and completely discharged.

That the amount of Rs.50,000/- may be allowed to be operated by the principal debtor and the Bank shall furnish to the Guarantor the state of account of the principal debtor only on making a written

written request therefor and not otherwise.

That any account settled between the Bank and the principal debtor shall be conclusive evidence against the Guarantor and shall not be questioned by the Guarantor, except on the ground of mistake or fraud.

That the Guarantee hereinbefore contained shall not be affected by any change in the constitution of the Bank or of the principal debtor.

That the terms "The Guarantor", "the Bank" and "the Principal Debtor" in this Deed shall, whenever the context so requires or admits, mean and include, their respective successors in office or business, representatives and assigns.

In Witness Whereof the Guarantor represented by the Secretary, to Government, Development Department, Government of Mysore, has hereunto set his hands and seal the day, month and year first above written in the presence of witnesses who have attested below.

GUARANTOR.

Witnesses:-

1.

2.

D. 3537 / Incl 190-54-25.

Encl. Deed (4 pages)

D. 15.9.56

To

The ~~General~~ Manager.

The Bank of Mysore Ltd., Bangalore.

Sir,

Sub: ~~The~~ Mysore State Aid to Indus Act, 1951
- Loan of Rs. 50,000/- sometimes
to be paid by the Bank of Mysore, on
govt guarantee to M/S Chemie
Fanning Co., Ltd., Bangalore -
Execution of the Deed of Guarantee.

~~with reference to the above subject,~~

with reference to your letter of 10-8-56
addressed to the Dir of Sec in Mysore, Alwar
on the above subject, I am directed to
forward herewith a Deed of Guarantee
in the double standard form sent by you
duly executed by the Secy to Govt, Dev Dept,
on the behalf of Govt. Yours faithfully

D. 3538

15/9

copy of the Dir of Sec with reference to
his letter No. 31-5. A. Misc. 187/52-53 of 24-8-56
for information.

13/9
For Dev Secy to Govt.

13/9

GOVERNMENT OF MYSORE.

No. 9-3537 | Encl. Deed (4 Pages)

Mysore Government Secretary

Dated, Bangalore. 15.9.56

FROM

The Secretary to the Government of Mysore,
Development Department, Bangalore.

TO

The ~~General~~ Manager,
The Bank of Mysore Ltd.,
Bangalore.

Sir,

Subject:- Mysore State Aid to Industries Act, 1951 - Loan of
Rs. 50,000/- sanctioned to be paid by the Bank of
Mysore Ltd., on Government guarantee to Messrs.
Chrome Tanning Co. Ltd., Bangalore - Execution of
the Deed of Guarantee.

With reference to your letter dated 10-8-1956 addressed to the
Director of Industries and Commerce in Mysore, Bangalore, on the above
subject, I am directed to forward herewith a deed of Guarantee in the
draft standard form sent by you duly executed by the Secretary to
Government, Development Department, on behalf of Government.

Yours faithfully,

Sd/-

(S.N. Kalabhairavan)
for Secretary to Government,
Development Department.

Memo No. 9-3538

15-9-56

Copy of the above is forwarded to the Director of Industries and
Commerce with reference to his letter No. E1-S.A.Misc.187/52-53 dated
24-8-1956 for information.

O/c

(S.N. Kalabhairavan)
for Secretary to Government,
Development Department.

THIS DEED OF GUARANTEE executed this day of ^{the fourteenth} ~~September~~ One thousand nine hundred and fiftysix by the Rajpramukh, His Highness the Maharaj of Mysore, acting in the exercise of the Executive Power of the State of Mysore, represented by the Secretary to Government, Development Department (hereinafter referred to as "the Guarantor") in favor of the Bank of Mysore Ltd., a Joint Stock Company, deemed incorporated under the Indian Companies Act 1913 and having its registered office and principal place of business in Avenue Road, Bangalore represented by Sri B.V. Narayana Reddy, (hereinafter referred to as "the Bank") is as follows:-

WHEREAS the Mysore Chrome Tanning Company Ltd., a Joint Stock Company deemed incorporated under the Indian Companies Act 1913 and having its registered office and principal place of business in Mysore Road, Bangalore (hereinafter referred to as "The Principal Debtor") has at its meeting held on 5-5-1954, proposed and resolved to request the Government of Mysore to grant immediately a further loan of Rs. 50,000/- on the securities already furnished for the existing loan to meet the urgent requirements of working capital of the Company and of increasing production, having regard to its installed production capacity and the need for keeping up labour employment at the Works as hitherto and have accordingly requested sanction of the Government of Mysore.

WHEREAS the Government of Mysore, have, in their order No. I. 331-35/Ind. 190-54-8 dated, Bangalore, the 23rd April 1955 sanctioned the proposal of the Principal Debtor and requested the Bank to grant the loan of

loan of Rs. 50,000/- (Rupees Fifty thousand) only, to the Principal Debtor on the Government Guarantee subject to the conditions mentioned by the Director of Industries and Commerce in his letter dated 22-7-1954 and the Bank of Mysore Ltd., in their letter dated 1-3-1955.

WHEREAS the Bank has agreed to advance up to the limit of the aforesaid sum of Rs. 50,000/- only by way of loan to the principal debtor² for the purposes mentioned in its above resolution against the hypothecation over the stock-in-trade of the said principal debtor² the Bank's being the first charge and also on the guarantee of the Government of Mysore as undertaken in the above Government Order, the entire loan with interest thereon at the rate of 6½ per cent per annum and with all costs and expenses incidental thereto being repayable within a period of 12 months from
.....

NOW, THEREFORE this Deed of Guarantee witnesses that in pursuance of the above agreement and consideration of the aforesaid sum of Rs. 50,000/- only being advanced by way of loan to the principal debtor on the terms and conditions proposed by the Bank and accepted by the principal debtor and the Government of Mysore, the Guarantor hereby agrees and covenants as follows:

THAT THE Guarantor will be jointly and severally liable with the principal debtor² in respect of the amounts due and owing by the principal debtor under the terms and conditions of the Hypothecation Deed dated and executed by the said debtor in favour of the Bank and will repay the said amounts to the Bank, if the said debtor fails to repay the same on demand.

THAT if the principal debtor fails to pay the amount

the amount due to the Bank, the Guarantor shall immediately thereafter be liable to pay the said amount or amounts to the Bank.

THAT any variance in the terms of the contract inclusive of the rate of interest made with the principal debtor^a, with-holding of credit or giving of any further or other advances to the principal debtor, taking of any other as additional security from or the parting with any security to the principal debtor^a, giving of time to or promising not to sue the principal debtor, absence of demand for payment either on the principal debtor, or the Guarantor, entering into any composition with the principal debtor or the Guarantor, doing or omitting to do any act which may result in legally releasing the principal debtor or be inconsistent with the Guarantor's rights but for this provision, shall not operate as a discharge of the Guarantor's liability to the Bank in respect of the amounts guaranteed as aforesaid, and the Guarantor further consents not to claim any of the rights conferred on sureties by sections 132, 134, 135 and 141 or any other provisions of the Indian Contract Act.

THAT this Guarantee should be and have effect as continuing Guarantee and shall not be revocable by the Guarantor except with the consent of the Bank and until all the amounts due to the Bank as aforesaid are finally and completely discharged.

THAT the amount of Rs. 50,000/- may be allowed to be operated by the principal debtor and the Bank shall furnish to the Guarantor the state of account of the principal debtor only on making a written request therefor and not otherwise.

THAT any account settled between the Bank and the principal debtor shall be conclusive evidence against the Guarantor and shall not be questioned by the Guarantor, except on the ground of mistake or fraud.

THAT the guarantee hereinbefore contained shall not be affected by any change in the constitution of the Bank or of the principal debtor.

THAT the terms "The Guarantor", "the Bank" and the "the Principal Debtor" in this Deed shall, whenever the context so requires or admits, mean and include, their respective successors in office or business, representatives and assigns.

IN WITNESS WHEREOF the Guarantor represented by the Secretary to Government, Development Department, Government of Mysore, has hereunto set his hands and seal the day, month and year first above written in the presence of witnesses who have attested below.

o/c

[Signature]
GUARANTOR
Secretary to Government,
Development Department.

14/14/9

Witnesses:-

1. *[Signature]*
14/9

2. *[Signature]*
14/9

THE BANK OF MYSORE, LTD.

(INCORPORATED IN MYSORE STATE. LIABILITY OF MEMBERS IS LIMITED)

HEAD OFFICE

TELEGRAPHIC ADDRESS: "MYSOREBANK"

TELEPHONE NO.: 2228

PLEASE QUOTE THIS REFERENCE

L/16306

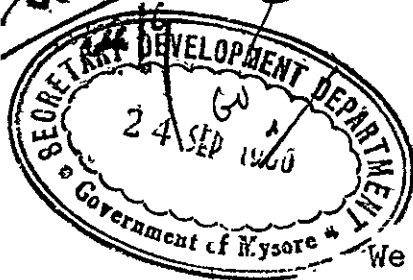
BANGALORE



The Secretary to the
Government of Mysore,
Development Department,
Mysore Government Secretariat,
Bangalore.

C.A.
13/9/56
Dear Sir,

Re: Mysore State Aid to Industri
Act 1951-
Loan of Rs.50,000/- sanction-
ed to M/s. Mysore Chrome
Tanning Co.Ltd. on the
guarantee of Government of
Mysore.

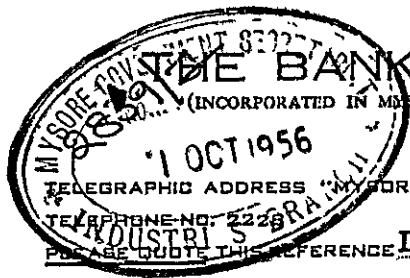


We acknowledge, with thanks receipt
of your letter No.I.3537/Ind/190-54-25
of the 15th instant enclosing the Deed
of Guarantee relating to the above loan.

Yours faithfully,

MANAGER.

AV.



THE BANK OF MYSORE LTD.

(INCORPORATED IN MYSORE STATE, LIABILITY OF MEMBERS IS LIMITED)

HEAD OFFICE

POST BOX NO. 37

17850

Loans/

BANGALORE 27th Septr.56

The Secretary to the
Government of Mysore,
Development Department,
Government Secretariat,
Bangalore.

Dear Sir,

1508.
29/9

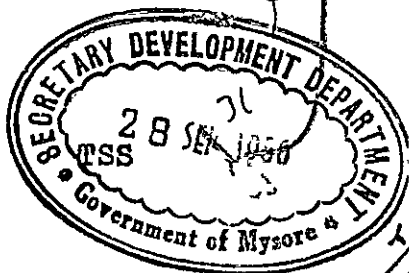
Re: Mysore State Aind to Industries (51)
Act. Loan of Rs.50,000/- sanctioned to
Messrs. Mysore Chrome Tanning Co. Ltd
on the guarantee of the Govt. of
Mysore.

--

Further to our letter No.

L/16306 of the 20th instant, we wish to
inform you that we have this day made
available to the Mysore Chrome Tanning Co.
Ltd., Bangalore, the sum of Rs.50,000/-
granted under the above scheme.

Yours faithfully,



Manager.

29/9